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## **Testimony of Health Care For All before the Massachusetts Department of Public Health and the Massachusetts Attorney General**

### **Re: The Caritas Christi Public Hearings**

**June 8, 2010**

Thank you to the Attorney General and the Department of Public Health for this opportunity to testify and for holding similar hearings in the five other Caritas host communities. We look forward to a comprehensive and thoughtful discussion of the key issues that will shape the future of Good Samaritan and the other five Caritas Hospitals and their ability to provide quality, affordable and accessible care to their respective communities.

Health Care For All is a statewide advocacy group that seeks to create a consumer-centered health care system that provides comprehensive, affordable, accessible, culturally competent, high quality care and consumer education for everyone, especially the most vulnerable. We work to achieve this as leaders in public policy, advocacy, education and service to consumers in Massachusetts. We work to bring social justice values into the health care system.

We are looking forward to engaging in this public process before the Attorney General and the Department of Public Health, both through these formal hearings and throughout the entire deliberative process, in order to analyze the impacts of this conversion and to see whether it will serve the public interest and the needs of the host communities.

We want assurance that this review is carried out on two levels. First, on a macro level, we want to ensure that a comprehensive analysis of the impact that the conversion of the entire Caritas network will have on the Commonwealth's health

care system. What does the conversion mean to other health care facilities and to the overall mix of resources and services across the Commonwealth?

On a more micro level, we want to ensure that the Attorney General and DPH conduct a distinct comprehensive review of each hospital. It is essential that the proposed conversion of each hospital gets the review and attention it needs in order to document the needs of each host community and the ability of the new owners to address these needs. This process must not be one big bundle, but six unique and community specific reviews.

Health Care For All believes that community hospitals are an integral part of the community fabric and its well-being. When run well, these hospitals provide vibrant and robust outreach, care and support for all of our communities. We need to make sure that community hospitals continue to provide top notch affordable, accessible and high quality health care that we know and expect from facilities like Good Sam.

We understand a number of the issues currently facing Caritas and its operation. We understand the pension fund is broke and we know the physical plants are in need of help. We know that Caritas has been looking for an infusion of capital for over five years.

With context, Health Care For All enters this review process with a healthy dose of skepticism. The proposal in front of us considers selling six not-for-profit hospitals owned locally by the social justice oriented Archdiocese of Boston to the New York based private equity firm Cerberus, which has never owned nor operated a hospital. This conversion raises many questions.

We are here today and are focused on this conversion process because we want to make sure this is the right deal to make. We know that Caritas and Cerberus have negotiated many hours to formulate this mutually accepted deal. Now we need to expand this process to a new set of eyes and give the public a seat at the table. We expect this process will be transparent, that resources will be put into third party fact finding, and that the principals of this project will be accessible to all.

As we begin to analyze and look at the pieces of this conversion proposal, a number of big picture questions arise:

- As the profit motive is now a brand new variable in the hospital's financial equation, what impact will the need to satisfy investors have on the quality, affordability and accessibility of care?
- The proposed conversion has an agreement for the current administration to stay on for three years. What happens after the three years are up and what is to guard Cerberus from making radical changes such as eliminating key programs or even closing down a hospital?
- Does the price tag upon which the two parties have agreed, adequately represent the true value of the network? We urge the Attorney General to hire an independent analyst to evaluate the assets and liabilities of the network.
- Why have Caritas and Cerberus failed to propose the formation of an independent foundation in Brockton to provide the community resources to address local health concerns? Such a foundation is usually a staple in similar hospital conversions.
- As the Department of Public Health conducts its Determination of Need and Determination of Suitability, we need to make sure that a comprehensive assessment of the needs of the community is conducted. We encourage Caritas and Cerberus to hire a third party analyst to conduct a *Community Health Impact Study* which would document the current health status of the community and the local health insurance market and analyze the conversion's effect on the community's access to health care.
- How can we ensure that the conditions set out in the agreement are measurable, reviewable, and enforceable?

As we better understand and document the health needs of the community, we also need to ensure that the community benefits provided by the hospitals are not only maintained but improved upon. For example, what are the hospital's plans to address issues such as:

- Mental health care
- Cultural competency on hospital employees and services
- Children's health
- Transportation for patients
- Green building principles
- HIV services
- Teen pregnancy
- Substance abuse
- Domestic violence

- Community hiring practices
- Other community concerns

We are counting on all parties and the public to do the due diligence necessary to make this process a thorough and effective one. We are encouraged by the improvement in management of the Caritas operation over the past two years and the ability of its current management to right the ship. With the health of so many residents at stake, we want to make sure that the potential new ownership will have the capacity and the will, now and in the future, to continue to provide accessible, affordable and high quality care to the residents of the Brockton area and beyond.